SUBJECT INDEX

	Page
Petition for Writ of Certiorari	1-10
Opinions Below	2
Basis of Jurisdiction	2
Summary Statement of Matters Involved	2-8
Questions Presented	8
Reasons Relied upon for Allowance of Writ	9-10
Brief in Support of Petition	11-24
Opinions of the Courts Below	11
Jurisdiction	11
Statement of the Case	11
Specification of Errors	12
Argument	13-22
1. Decision of Circuit Court of Appeals Conflicts with Decisions of other Circuit Courts of Appeals	13-19
2. Circuit Court of Appeals did not decide issues in accordance with Local Law	19-22
Conclusion	22-24

TABLE OF CASES CITED

Bell v. Service Coal Company, 280 Mich. 172; 273 N. W. 435	21
Fidelity Bond and Mortgage Co. v. Fidelity Mortgage Co., 12 Fed. (2d) 582 (Sixth Circuit)	15, 16
Gleaves v. W. B. Fishburn Co., 82 Fed. (2d) 627 (Fifth Circuit)	9, 18
Good Housekeeping Shop v. Smitter, 254 Mich. 592, 596; 236 N. W. 872	19

Page

Herring-Hall-Marvin Safe Co. v. Hall's Safe Co., 208 U. S. 554, 52 L. Ed. 616 17

Holland Furnace Co. v. New Holland Machine Co., 24 Fed. (2d) 751 22

Horlicks Malted Milk Corp. v. Horluck's Inc., 59 Fed. (2d) 13 (Ninth Circuit) 9, 18

Howe Scale Co. v. Wyckoff, et al., 198 U. S. 118, 25 S. Ct. 609, 49 L. Ed. 972 15

Kellogg Company v. National Biscuit Co., 305 U. S. 111, 83 L. Ed. 73 14

Restatement of the Law on Torts, Volume III, page 519, Section 708 14

Schwanneke v. Genesee Coal & Ice Co., 262 Mich. 624; 247 N. W. 761 21

John B. Stetson Co. v. Stephen L. Stetson Co., 85 Fed. Rep. (2d) 586 (Second Circuit) 9, 17

W. & H. Walker, Inc. v. Walker Bros. Co., 271 Fed. 395, (Cert. Den.) 256 U. S. 702 16

L. E. Waterman Co. v. Modern Pen Company, 235 U. S. 89, 94; 59 L. Ed. 142, 146 16

Young & Chaffee Furniture Co. v. Chaffee Brothers Furniture Co., 204 Mich. 293; 170 N. W. 48.. 9, 19

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941

No.....

FINSTERWALD FURNITURE COMPANY,
a Delaware corporation,
Petitioner (Appellant below),
vs.
FINSTERWALD CLOTHING COMPANY,
a Michigan corporation,
Respondent (Appellee below)

PETITION FOR WRIT OF CERTIORARI

(Unless otherwise clearly shown by context, figures in parentheses refer to pages of the printed Record)

To the Honorable, the Chief Justice, and the Associate Justices of the United States:

The above named petitioner prays that a writ of certiorari issue to review the judgment of the Circuit Court of Appeals for the Sixth Circuit entered June 6, 1941, affirming a decree of the District Court of the United

States for the Eastern District of Michigan, Southern Division, restraining petitioner from selling men's clothing under its own corporate name.

OPINIONS BELOW

The opinion of the District Court (394) confirms a Special Master's report (357). The opinion of the Circuit Court of Appeals (409) was filed June 6, 1941.

BASIS OF JURISDICTION

Jurisdiction is invoked under Section 240(a) of the Judicial Code, as amended by Act of February 13, 1925, 43 Stat. 938.

The judgment of the Circuit Court of Appeals was entered June 6, 1941.

SUMMARY STATEMENT OF THE MATTERS INVOLVED

This suit involves a fundamental question of free trade. The petitioner, Finsterwald Furniture Company, a Delaware corporation, and the respondent, Finsterwald Clothing Company, a Michigan corporation, have both been doing business in the City of Detroit, Michigan, for over thirty years under their respective corporate names. The respondent has limited its business to the sale of men's and boy's clothing and haberdashery. Petitioner originally limited its business to the sale of furniture but during the course of the years added various departments, until now it is virtually a department store selling sporting goods, electrical appliances, radiators, refrigerators, blankets, jewelry, phonographs, curtains, draperies, dishes, optometrists' supplies, women's clothing, automobile tires and

batteries (359). Shortly before the institution of this litigation by the respondent, petitioner added a clothing department in order to meet the competition of its competitors in the City of Detroit, and in conformity with the growing trend of business concerns of its nature throughout the country to add clothing departments. This decision was arrived at without regard to the existence of respondent's business. The Special Master made a finding (363):

> "* * * that the defendant has reached a stage in its development when it would want to sell clothing, irrespective of the existence of plaintiff, that its dominant motive is to expand its own business rather than to capitalize upon the good will of the latter."

The respondent brought suit to restrain the petitioner from selling clothing under its present corporate name, claiming that to permit petitioner to do so would result in unfair competition for the respondent. It is admitted that there is no question as to the proprietary right of petitioner to use its corporate name (24). Nor is there any question concerning the good faith of the petitioner. The Special Master found (364) that the case presents:

> "* * * an honest conflict between two substantial business interests: that of plaintiff in selling its goods free from confusing competition by one using a similar name, and that of defendant in expanding its business under its own name."

The petitioner's position rests squarely upon its right legitimately to have and exercise the trade benefits attaching to its own name as it has continued to do for the past thirty years. The respondent concedes the proprietary right of the petitioner to its own name (24).

The respondent claims, however, that by reason of the inclusion of the word "Finsterwald" *in its own name,* it will suffer in a competitive market through the *continued use* by the petitioner, Finsterwald Furniture Company, *of its own name.* The respondent's position is that while the "Smith Furniture Company" could compete with the Finsterwald Clothing Company, the Finsterwald Furniture Company must not do so. Its demand to be protected from the competition of the petitioner does not arise from a *claimed superior right to the word "Finsterwald."* It is made to rest entirely upon the claim that the circumstance of the same dominant word in both names must be submitted to by the petitioner as a restriction upon its right normally to compete and to exploit its long accumulated good will as a department store.

The trial court expressly bases its order of restraint upon the ground that the respondent may lose business in a competitive market to the petitioner. The fact alone of competition is denounced as a vice. To take business from a competitor is called a wrong and in itself is made to carry an unlawful intent (403, 399 and 401):

> "• • • If the defendant says he fell out of some other man's bed room window at four o'clock in the morning, the Court doesn't have to believe him when he says he didn't intend to steal the money. The Court can apply the old doctrine that a person is presumed to intend the natural consequences of his acts."
>
> "• • • That is the only change I want to make in the Master's findings. I want to find on this record, not as a fundamental fact and not as a fact that any witness has testified to, unless it be the defendants themselves, that it was the intention of the Finsterwald Furniture Company to produce the wrong complained of in this case• • •"

"I do not want to be misunderstood about anything I have said or do say about the Master's findings that if there was no similarity of names, the Finsterwald Furniture Company would still engage in the clothing business. I say *that is a finding of fact irrelevant to this lawsuit.* I have no doubt that the Furniture Company has several reasons behind its attempt to sell clothing. One of the reasons it gives is that some of its competitors who were in the furniture business are also engaged in the clothing business* * *"

"As I said to the counsel for defendant in the argument, it is like a white slave case, where we have to get at the motive. What is the purpose of taking a female from Detroit to Chicago? The defendant will always try to side-track the jury by the argument that there was a World's Fair or a ball game or something else that was the motive for his going there. However, it is not for the jury and the courts to find out whether that was the motive or not, because that is irrelevant. You think about all those things for the purpose of determining whether or not the trip was made for an immoral purpose." (Italics supplied.)

The obvious fact that competition for patronage is the common objective of every lawful trade endeavor is lost in a confusion of reasoning bearing no relationship to the legal issues. Nor did the petitioner find in the Circuit Court of Appeals a consideration of the position which it has so earnestly advanced. The only reasons for the rejection of its appeal is found in the order of the Circuit Court of Appeals (409) providing:

"It is ordered, adjudged and decreed that the decree appealed from be and the same is in all things affirmed upon the grounds and for the reasons set forth in the opinion of the District Court found at page 394 *et seq* of the transcript of record."

In order to allay respondent's fear of possible confusion, petitioner offered to observe the following practices to be made mandatory by decree:

> "1. The advertising and publicity matter of the defendant will be characterized by a signature cut in the form of Exhibits 15, 16 or 17, whichever the plaintiff prefers, which consists of the full corporate name of the defendant, equal emphasis and significance being given to all words of the name, and all words of the name being set up in letters of the same size and type. The defendant will not use the name of Finsterwald alone anywhere in any advertising or publicity matter in which clothing is advertised; wherever the name Finsterwald is used in relation to clothing, the full corporate name shall be used, uniform prominence in every instance being given to the word 'Furniture.'
>
> 2. The defendant will never advertise or distribute any publicity material in which clothing shall be the sole item of merchandise offered for sale, but instead all advertising and publicity material relating to clothing will form a part of advertisements dominated by offerings of furniture or other home furnishings and the items of clothing included in such publicity material or advertisements will form a subordinate or included part.
>
> 3. The defendant's clothing department will be situated upon the fifth floor of its building. No article of clothing will be offered for sale on the main floor of the building; there will be no display of clothing in the windows of the defendant's store which does not also include furniture or home furnishings as a composite part.
>
> 4. The articles of clothing offered for sale by the defendant will not bear any label with the defendant's name upon it, or any part of such name. Instead, such clothing will be labeled with the name 'Harrington' or 'Harrington De-Luxe'.

5. The defendant will include in the package in which any article of clothing sold by it is enclosed, a card, a copy of which is attached to the 'Defendant's suggestions with relation to the sale of clothing, etc.,' setting forth in definite terms that the article is purchased from Finsterwald Furniture Company, the defendant, which is in no way connected with the plaintiff.

6. To change the large front vertical sign upon its building so that its full corporate title is shown thereon."

The Court rejected this offer and entered a decree (391) permanently restraining petitioner from engaging in the retail sale or advertisement of men's and boy's clothing, wearing apparel and haberdashery under its present corporate name or any other name in which the word "Finsterwald" or "Finsterwald's" is the dominant word, with the proviso that petitioner be permitted to sell men's clothing if it changes its name to a compound name which may include "Finsterwald" or "Finsterwald's" as the *second* word in such name with some other major name as the first word (such as, by way of illustration, the name "Hadley-Finsterwald Furniture Company"). Petitioner was also restrained from advertising the sale of clothing with any advertising which uses the word "Finsterwald" or "Finsterwald's" except for a statement in type, not to exceed ten point underneath the clothing store signature, "Operated by Finsterwald Furniture Company," or words of similar import.

Petitioner was also restrained from exhibiting or selling men's clothing on the first floor of its store building and from exhibiting such clothing in its store windows.

Respondent had urged the possibility of confusion in the mind of the public and offered some testimony as to

such confusion in the past. It was conceded, however, that petitioner was not responsible for the confusion. The respondent's secretary testified (111):

> "Q. You made it quite clear, as a matter of fact, that the confusion which has existed up to this time is inherent in the use of the name Finsterwald?
>
> A. That's right, yes, sir.
>
> Q. You don't believe that that confusion results from any fraudulent conduct on the part of the Finsterwald Furniture Company, do you?
>
> A. No, sir."

QUESTIONS PRESENTED BY THIS PETITION

The questions presented in this case are:

1. May a corporation lawfully doing business under its own corporate name for more than thirty years, in the normal expansion of its business, add a clothing department thereto without presenting unfair and unlawful competition to another corporation with the same dominant word in its corporate name already engaged in the sale of clothing?

2. If it is found that the corporation already engaged in the sale of clothing is entitled to protection against confusion, does such right of protection extend to the deprivation of the other corporation's right to use its own name in the sale of clothing?

REASONS RELIED UPON FOR ALLOWANCE OF THE WRIT

1. The United States Circuit Court of Appeals for the Sixth Circuit has rendered a decision restraining a corporation from conducting and expanding its business under its own corporate name in conflict with the decisions of this Court and of other Circuit Courts of Appeals on the same matter. *John B. Stetson Co. v. Stephen L. Stetson Co.*, 85 Fed. Rep. (2d), 586 (Second Circuit); *Gleaves v. W. B. Fishburn Co.*, 82 Fed. (2d) 627 (Fifth Circuit); *Horlicks Malted Milk Corp. v. Horluck's Inc.*, 59 Fed. (2d) 13 (Ninth Circuit).

2. The United States Circuit Court of Appeals for the Sixth Circuit has decided an important question of local law in a way probably in conflict with applicable local decisions. *Young & Chaffee Furniture Co. v. Chaffee Brothers Furniture Co.*, 204 Mich. 293; 170 N. W. 48.

Wherefore petitioner prays that a writ of certiorari be issued out of and under the seal of this Court directed to the Circuit Court of Appeals for the Sixth Circuit, commanding that Court to certify and send to this Court for its review and determination as provided by the statutes of the United States a full and complete transcript of the Record and all proceedings in the case numbered and entitled on its docket, "No. 8487, Finsterwald Furniture Company, a Delaware corporation, Defendant and Appellant, v. Finsterwald Clothing Company, a Michigan corporation, Plaintiff and Appellee," and that the decree therein of the said Circuit Court of Appeals be reversed by this Court, and that your petitioner may

have such other and further relief in the premises as to the Court may seem just and proper.

FINSTERWALD FURNITURE COMPANY,
Petitioner,

By THEODORE LEVIN,
Attorney for Petitioner,
1250 Penobscot Building,
Detroit, Michigan.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

I.

OPINIONS OF THE COURTS BELOW

The opinions of the District Court consist of the report of a Special Master (357) and the oral opinion of the District Judge (394). On June 6, 1941, the Circuit Court of Appeals for the Sixth Circuit entered an order (409) affirming the decree upon the grounds and for the reasons set forth in the opinion of the District Judge.

II.

JURISDICTION

Jurisdiction is invoked under Section 240(a) of the Judicial Code, as amended by Act of February 13, 1925, 43 Stat. 938.

The decision of the Circuit Court of Appeals was entered on June 6, 1941.

III.

STATEMENT OF THE CASE

The statement of facts contained in the "Summary Statement of the Matters Involved" in the accompanying petition for writ of certiorari, together with the facts recited in the report of the Special Master (357), is considered a sufficient statement for the purpose of this brief.

IV.

SPECIFICATION OF ERRORS

The errors in the decision of the Circuit Court of Appeals which are relied upon by the petitioner in this case are set out in the statement of "Reasons Relied upon for Allowance of the Writ" in the accompanying petition for writ of certiorari. The petitioner will rely upon and urge before this Court all the errors therein assigned and which are hereby adopted and made a part of this brief.

V.

ARGUMENT

1. The decision of the Circuit Court of Appeals conflicts with the decisions of other Circuit Courts of Appeals on the same subject.

The decree of the Court (391) prohibiting petitioner from advertising and selling men's clothing under its corporate name deprives petitioner of the good will attaching to that name. This good will was built up over a period of thirty years, during which time petitioner has spent hundreds of thousands of dollars in newspaper advertising. The suggestion in the decree that petitioner would not be deemed to violate the injunction if it changed its name so that the word "Finsterwald" would not be dominant, would if adopted result in the actual destruction of its good will.

The provision in the decree that unless petitioner's name is changed, petitioner's men's clothing department must be advertised at all times as a separate store under a separate and distinct firm name in which the word "Finsterwald" is not included and that the name "Finsterwald" must be omitted from all advertisements of men's clothing, results in a complete loss to the clothing department of the petitioner of the good will attaching to its corporate name.

The provision in the decree restraining the petitioner under any circumstances from using its own show windows for the display of men's clothing deprives it of one of the most effective and proved business practices of inviting the interest of the public in merchandise offered for sale in a retail establishment.

No Circuit Court of Appeals has ever deprived a person of the right to use his own name, expressly found

to be used in good faith because it might be a factor in competitive rivalry for trade. Yet this is essentially the ground upon which the proprietary right of the petitioner *to its own good will* attaching to its own name has been extinguished. No fraudulent intent, no desire to "pass off" or any improper or unethical purpose has been found. No criticism has been made of the *manner of use.* The respondent simply objects to the use of the name at all in the sale of men's clothing. Its objection and that of the trial court is that such will operate competitively. The trial court finds that an intention on the part of the petitioner to take business from the respondent must be inferred because "a person is presumed to intend the natural consequences of his act" (403). Even if this conclusion were based on fact such reasoning is strange to the law of unfair competition:

> "One who causes loss of business or occupation to another merely by engaging in a business or occupation in good faith is not liable to the other for the loss so caused, though he knows that the loss will result." *Restatement of the Law on Torts,* Volume III, page 519, Section 708.

Petitioner's right to carry on business in a free market involving open competition for good will and profit ought not to be impaired by the claimed monopolistic privilege of respondent to the use of the name "Finsterwald" in connection with the sale of clothing. This Court has had occasion to discuss such a situation in *Kellogg Company v. National Biscuit Co.,* 305 U. S. 111, 83 L. Ed. 73, involving the sale of shredded wheat biscuits. Mr. Justice Brandeis writing for this Court said:

> "Kellogg Company is undoubtedly sharing in the good will of the article known as 'Shredded Wheat;' and thus is sharing in a market which was

> created by the skill and judgment of plaintiff's predecessor and has been widely extended by vast expenditures in advertising persistently made. But that is not unfair. Sharing in the good will of an article unprotected by patent or trade-mark is the exercise of a right possessed by all—and in the free exercise of which the consuming public is deeply interested. There is no evidence of passing off or deception on the part of the Kellogg Company; and it has taken every reasonable precaution to prevent confusion or the practice of deception in the sale of its product."

There is evidence of some confusion in the minds of the public if both parties were to sell men's clothing. But this confusion must not propel a discrimination against the petitioner in the lawful use of its own name.

Unfair competition does not exist "where the only confusion in the minds of the public as to the origin of the product results from the similarity in names, and not from the manner of their use." *Fidelity Bond and Mortgage Co. v. Fidelity Mortgage Co.*, 12 Fed. (2d) 582 (Sixth Circuit), citing *Howe Scale Co. v. Wyckoff, et al.*, 198 U. S. 118, 25 S. Ct. 609, 49 L. Ed. 972.

There is no claim in this case that the petitioner is attempting to pass off its goods as the goods of the respondent. The name of the petitioner was not assumed by it for the purpose of deception or for the purpose of creating a confusion which would redound to its benefit. Petitioner has been a going business concern in the City of Detroit for more than a quarter of a century and owes respondent no duty to protect it from competition. Neither is respondent entitled to a monopoly in the use of the name "Finsterwald" for the sale of clothing. Petitioner has not used its name in a manner resulting in unfair competition for the respondent and the latter is entitled to no relief whatsoever.

Fidelity Bond and Mortgage Co. v. Fidelity Mortgage Co., supra; W. & H. Walker, Inc., v. Walker Bros Co., 271 Fed. 395, (Cert. Den.) 256 U. S. 702.

At its best, because the sale of clothing by petitioner came later in point of time, respondent's case may be compared with the class of cases in which a newcomer, *legitimately* using a name similar to another already in the field, offers competition to the latter. There then arises what has been termed "the duty to explain." While petitioner does not consider the situation comparable, it has offered to adopt the practices described above in order to meet this duty if the Court should consider it necessary.

This Court said in *L. E. Waterman Co. v. Modern Pen Company,* 235 U. S. 89, 94; 59 L. Ed. 142, 146:

> "* * * it now is established that when the use of his own name upon his goods by a later competitor will and does lead the public to understand that those goods are the product of a concern already established and well known under that name, and when the profit of the confusion is known to, and if that be material, is intended by, the later man, the law will require him to take reasonable precautions to prevent the mistake."

In accordance with this pronouncement by this Court, which has been followed by the Circuit Courts of Appeals, petitioner offered to adopt the business practices enumerated in the accompanying petition. This offer goes far beyond any practices ordered in any reported case in this country.

The rights of the parties involved in a situation such as exists in the case at bar have been set forth in the following cases decided by this Court and by Circuit Courts of Appeals of other circuits, all of which are in conflict with the decision of the Court below in this case.

In *Herring-Hall-Marvin Safe Co. v. Hall's Safe Co.*, 208 U. S. 554, 52 L. Ed. 616, it was said:

> "The principle of the duty to explain is recognized in *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S. 118; 49 L. Ed. 972; 25 Sup. Ct. Rep. 609. It is not confined to words that can be made a trade-mark in a full sense. The name of a person or a town may have become so associated with a particular product that the mere attaching of that name to a similar product, without more, would have all effect of a falsehood • • • An absolute prohibition against using the name would carry trade-marks too far. Therefore the rights of the two parties have been reconciled by allowing the use, provided that an explanation is attached (citing cases). Of course, the explanation must accompany the use, so as to give the antidote with the bane."

As to the decree to be entered in that case, the court said:

> "It should forbid the use of the name 'Hall' either alone or in combination, in corporate name, on safes, or in advertisements, unless accompanied by information that the defendant is not the original Hall's Safe & Lock Company or its successor, or, as the case may be, that the article is not the product of the last-named company or its successors. With such explanations the defendants may use the Halls' name, and, if it likes, may show that they are sons of the first Hall and brought up in their business by him, and otherwise may state the facts."

In *John B. Stetson Co. v. Stephen L. Stetson Co.*, 85 Fed. Rep. (2d) 586, the Circuit Court of Appeals of the Second Circuit found that the competition actually offered by the defendant was unfair but did not enjoin the defendant's use of its own name in the sale of hats. It did, however,

lay down reasonable conditions under which competition could continue, and did not grant the plaintiff a monopoly in the use of the name "Stetson" notwithstanding plaintiff's prior use of that name in the sale of hats.

In *Horlick's Malted Milk Corporation v. Horluck's, Inc.*, 59 Fed. (2d) 13, the plaintiff had been engaged in the business of manufacturing and selling malted milk for upwards of fifty years and had spent several million dollars in advertising its product. In 1928, the defendant was incorporated and marketed malted milk under its own name. The plaintiff's product was generally known as "Horlick's Malted Milk." The defendant's product was sold in various ways and also as "Horluck's Malted Milk." The plaintiff sought to enjoin the defendant from using the name "Horluck's" in connection with the advertising and sale of malted milk. The Circuit Court of Appeals for the Ninth Circuit acted in conformity with the principle stated above and gave the plaintiff relief, which it stated, "will still leave the defendant free to use its name in connection with its business in any lawful way and is in conformity with the decided cases, giving both the plaintiff and defendant ample protection of their respective rights." It appears at the very end of the opinion that the additional relief granted by the Circuit Court of Appeals provided that the defendant might not use its name in the possessive or plural form, such as "Horluck's" or "Horlucks," but permitted the use of the name "Horluck" in singular form.

In *Gleaves v. W. B. Fishburn Co.*, 82 Fed. (2d) 627, it appeared that W. B. Fishburn Incorporated had been organized for the purpose of conducting a cleaning and dyeing business in Fort Worth, Texas. The business was very successful, but in 1935 the plaintiff was appointed receiver. W. B. Fishburn, personally, had gone into bankruptcy in

1932 and his relationship with the company terminated. In 1934, Fishburn, together with others, organized the W. B. Fishburn Co., a corporation, to engage in the cleaning and dyeing business in Fort Worth. Every effort was made by the new company to distinguish its business from that of the old company, and the court found that what confusion there was, "arises solely from the similarity of names." Both the District Court and the Circuit Court of Appeals for the Fifth District refused to enjoin the use of the name "Fishburn," but ordered that the defendants distinguish their company's name "by inserting the words, 'not connected with the old W. B. Fishburn, Incorporated' directly following the name of 'W. B. Fishburn Company' in all advertising matter * * *."

2. The Circuit Court of Appeals did not decide the issues in accordance with the local law.

As the Special Master pointed out (369), the Michigan Supreme Court has said of claimed unfair competition that "each case is determined upon its own facts." *Good Housekeeping Shop v. Smitter,* 254 Mich. 592, 596; 236 N. W. 872. However, no Michigan case presents a factual situation where two business concerns having the same master name operated in the *same* city for many years, and in the normal course of their growth and development ultimately came to deal in some similar merchandise. Nevertheless, the Michigan Supreme Court has carefully expressed itself on the subject of unfair competition.

In *Young & Chaffee Furniture Company v. Chaffee Brothers Furniture Company,* 204 Mich. 293; 170 N. W. 48, three questions were raised by the plaintiff: (1) that the Michigan statute prohibited the assumption by a new corporation of a name already in use by an existing corporation or so nearly similar as to lead to uncertainty and con-

fusion; (2) that defendant had violated its duty to use its name so as to prevent confusion; and (3) because of the similarity of names, defendant's use of its corporate name was causing unfair competition as against the plaintiff.

The court held the plaintiff was not entitled to relief because of the statutory provision. At page 297 of the opinion, it went on to say:

> "The remaining questions may naturally be solved together. The law does not favor monopolies. Honest competition should not be stifled or prevented. It is unfair competition, unfair trade, which courts of equity prevent by injunction."

At page 298, the court said:

> "One may dispose of the right to use his name in connection with a certain business; he may so circumscribe himself as to be stopped from claiming the right to its use in that business; but generally speaking one has the right to use his own name; he may not use it in such a way as to lead the public to the belief that they are dealing with another, or that his wares are the wares of another; he may not by any artifice so use his name as to deceive the public into the belief that his establishment is the establishment of another, thereby bringing to himself profit not properly appertaining to himself and his business, and thus inflicting damage on his competitor."

The Michigan Supreme Court, however, has protected an existing business enterprise in a given city from unfair competition by a *newcomer in that city* who was about to do business under a similar name where there was a deliberate invasion of a new geographical area never before served by the newcomer. There are two such cases and the respondent relied heavily upon them.

In *Schwanneke v. Genesee Coal & Ice Co.*, 262 Mich. 624; 247 N. W. 761, the plaintiff, doing business as Genesee Coal Co., had been engaged in the business of selling coal and other fuel in the City of Saginaw for more than twenty-seven years. The defendant, Genesee Coal & Ice Co., organized in 1929, was engaged in the business indicated by its title in the City of Flint. In 1932 the defendant entered the City of Saginaw for the purpose of competing with the plaintiff. After citing authority to the effect that unfair competition ordinarily consists in deceptive practices and the palming off of one's goods as the goods of another, the court concluded its opinion with the following words (italics our):

> "• • • We have here a plaintiff who has been engaged in the coal business on Genesee Street in the city of Saginaw for 27 years. The defendant desires to compete with him therein, as it has a right to do. *It conceded that the use of its corporate name would doubtless lead to confusion and result in unfair competition.* It therefore assumed the name 'Genesee Ice & Fuel Company.' It needed not the word 'Genesee' in its name to inform the people of the city of Saginaw and surrounding territory that it was engaged in the ice and fuel business. It seems apparent that its purpose and design in the use of this name was to secure to itself a part of the business theretofore enjoyed by the plaintiff, and, in the language above quoted, 'they have no right, by imitative devices, to beguile the public into buying their wares under the impression they are buying those of their rivals.' "

In *Bell v. Service Coal Company*, 280 Mich. 172; 273 N. W. 435, the plaintiff had been doing business in the City of Royal Oak under the name Service Coal & Ice Company. The Service Coal Company, a corporation of the City of

Detroit, planned to invade the plaintiff's territory in the City of Royal Oak and compete with it. The court found that the defendant was diverting the plaintiff's customers *through deception.* It also found that plaintiff had priority in the adoption and use of its name in its locality.

In the case at bar no question of priority exists and it is not charged that the petitioner has attempted to deceive the public or act in bad faith or do anything but pursue its business in an honorable manner, and to continue the use of its own name in the normal expansion of its own business.

In this connection it should be pointed out that the establishment of the petitioner is much larger than that of the respondent, it sells a much larger variety of merchandise, and does a great deal more advertising than respondent (344).

CONCLUSION

The courts of this country have decided in many cases, of which those hereinbefore cited are typical, that one having an existing proprietary right to the use of a certain name will not be deprived of that right. Under certain circumstances he is required to distinguish his goods from those of others using similar names. These decisions have been consistent to the effect that no one can be deprived of the use of a name legitimately acquired so long as he does not use it *fraudulently,* even though others entitled to use a similar name may suffer some loss of trade.

A sound summarization of these holdings is given by the court in *Holland Furnace Co. v. New Holland Machine Co.,* 24 Fed. (2d) 751. In that case the defendant, whose business was confined to the manufacture and sale of farm

machinery, began to compete with the plaintiff, whose business was the manufacture of furnaces. The defendant's furnaces were close imitations of the plaintiff's furnaces both in structure and outward appearance, and in the use of the name "Holland." The question arose "whether or not the defendant should be restrained or limited in the use of its corporate name in connection with the sale of furnaces." The court found the defendant entered the field with the intent to take advantage of the similarity in names, and at page 755 said (italics ours):

> "In a case such as the present, where the defendant has not only not attempted to avoid the confusion, but has actually taken steps to aggravate it, he may be required to couple the use of his name with such words or phrases as may be necessary to prevent unfair diversion to him of another's business. This may not be complete and adequate protection, *but I find no authority going to the extent of holding that either an individual or a corporation can be deprived absolutely of the right to use his own name in a line of business, even though it is coupled with an unfair intent.* An order will be granted, enjoining the defendant's displaying its corporate name upon its product, unless accompanied by words or phrases which will clearly distinguish it from the plaintiff's."

It is apparent from the foregoing authorities that,

(a) the petitioner has the right to the use of its own name in the sale of men's clothing;

(b) the practices it offers to observe to avoid the possibility of mistake on the part of the public go farther than any practices ordered in the reported cases;

(c) the refusal of the respondent to agree to the adoption of these practices indicates its desire for a monopoly

in the use of the word "Finsterwald" rather than protection against what it terms unfair competition;

(d) the decision of the court below in restraining petitioner from the use of its own name in the sale of clothing conflicts with the decisions of this Court and of Circuit Courts of Appeals of other circuits.

It is respectfully submitted, therefore, that the accompanying petition for a writ of certiorari ought to be granted.

THEODORE LEVIN,
BAYRE LEVIN,
MORRIS GARVETT,
Attorneys for Petitioner,
1250 Penobscot Building,
Detroit, Michigan.

24

Office - Supreme Court, U.
FILED
SEP 24 1941
CHARLES ELMORE CROP
CLER

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941

No. 576

FINSTERWALD FURNITURE COMPANY,
a Delaware corporation,
Petitioner (Defendant and Appellant below),
vs.
FINSTERWALD CLOTHING COMPANY,
a Michigan corporation,
Respondent (Plaintiff and Appellee below)

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

JASON L. HONIGMAN,
Attorney for Finsterwald Clothing Company, Respondent,
2003 Dime Bank Building,
Detroit, Michigan.

MILTON J. MILLER,
Of Counsel.

Interstate Brief & Record Co., Cass Bldg., 457 Fort St. W., Detroit

SUBJECT INDEX

	Page
I. Introductory Statement	1-3
II. Counter-Statement of Case	3-9
III. Argument	10-16
A. There is no conflict between the instant decision of the Sixth Circuit Court of Appeals and the law of Michigan	10-12
B. There is no conflict between the instant decision of the Sixth Circuit Court of Appeals and the decisions of other Circuit Courts of Appeal	13-16
IV. Conclusion	16

TABLE OF CASES CITED

Amer. Washboard Co. v. Saginaw Mfg. Co. (C. C. A. 6, 1900), 103 F. 281	14
Annheuser Busch, Inc. v. Budweiser Malt Prod. Co. (C. C. A. 2, 1923), 295 Fed. 306	15
Bell v. Service Coal Co., 280 Mich. 172, 273 N. W. 435 (1937)	11
Dayton v. Imperial Sales, etc. Co., 195 Mich. 397, 161 N. W. 958 (1917)	12
Eastern Outfitting Co. v. Manheim, 59 Wash. 428, 110 P. 23 (1910)	12
Esso Inc. v. Standard Oil Co. (C. C. A. 8, 1938), 98 F. (2) 1	12
Fidelity Bond & Mtg. Co. v. Fidelity Mtg. Co. (C. C. A. 6, 1926), 12 F. (2) 582	14
Foster Canning Co. v. Lardan Packing Co., Inc., 17 N. Y. Supp. (2) 583 (1939)	12

Page

France Mill. Co. v. Washburn Crosby Co. (C. C. A. 2, 1925), 7 F. (2) 304 15
G. & C. Merriam Co. v. Saalfield (C. C. A. 6, 1912), 198 F. 369 14
Gleaves v. B. W. Fishburn Co. (C. C. A. 5, 1936), 82 F. (2) 627 13
Hanover Star Milling Co. v. Metcalf, 240 U. S. 403, 60 L. Ed. 713 (1916) 12
Horlicks Malted Milk Corp. v. Horluck's Inc. (C. C. A. 9, 1933), 59 F. (2) 13 13
Lamb Knit Goods v. Lamb Glove & Mitten Co., 120 Mich. 159, 78 N. W. 1072 (1899) 12
Nolan Bros. Shoe Co. v. Nolan, 131 Cal. 271, 63 P. 480 (1900) 12
Pease v. Scott County Milling Co. (D. C. Mo. 1925), 5 F. (2) 524 12
Peoples Outfitting Co. v. Peoples Outlet Co., 170 Mich. 398, 136 N. W. 599 (1912) 12
Phillips v. Governor & Co. (C. C. A. 9, 1935), 79 F. (2) 971 15
Queen Anne Candy Co. v. F. W. Woolworth Co., 165 Wash. 143, 4 P. (2) 844 (1931) 12
Regent Shoe Mfg. Co. v. Haaker, 75 Neb. 426, 106 N. W. 595 (1906) 12
Schwanneke v. Genesee Coal & Ice Co., 262 Mich. 624, 247 N. W. 761 (1933) 11
John B. Stetson Co. v. Stephen L. Stetson Co. (C. C. A. 2, 1936), 85 F. (2) 586 13
Tillman & Bendel Inc. v. Calif. Pack. Corp. (C. C. A. 9, 1933), 63 Fed. (2) 498 15
Traffey v. McIlheny Co. (C. C. A. 5, 1922), 281 Fed. 23 15
Treager v. Gordon-Allen Ltd. (C. C. A. 9, 1934), 71 F. (2) 766 ..... 12, 15

Page

United Drug Co. v. Theodore Rectanus Co., 248 U. S. 90, 63 L. Ed. 141 (1918) 12

Upjohn Co. v. Wm. S. Merrell Chem. Co. (C. C. A. 6, 1920), 269 Fed. 209 15

Western Auto Sup. Co. v. Knox (C. C. A. 10, 1937), 93 F. (2) 850 12

Young & Chaffee Furn. Co. v. Chaffee Bros. Furn. Co., 204 Mich. 293, 170 N. W. 48 10

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941

No. 576

FINSTERWALD FURNITURE COMPANY,
a Delaware corporation,
Petitioner (Defendant and Appellant below),
vs.
FINSTERWALD CLOTHING COMPANY,
a Michigan corporation,
Respondent (Plaintiff and Appellee below)

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

I. INTRODUCTORY STATEMENT

(Unless otherwise clearly shown by context, figures in parentheses refer to pages of the printed record)

This Brief is submitted on behalf of the respondent, Finsterwald Clothing Company, a Michigan corporation, in opposition to the granting of the Petition for Writ of Certiorari filed in this cause.

This case concerns a question of unfair competition in the use of trade-names, involving two large retail estab-

lishments doing business in Detroit, Michigan. The instant suit was brought by respondent in the Chancery Court of the State of Michigan to procure protection from unfair competition occasioned by petitioner's attempted entry into respondent's line of business under a similar trade-name. The suit was transferred to the Federal District Court of Michigan by petitioner by reason of diversity of citizenship, petitioner being a Delaware corporation (13). The Federal District Court granted injunctive relief to respondent, and its decree was affirmed by the Sixth Circuit Court of Appeals (391-3, 409).

In this field of litigation, as petitioner admits, "each case is determined upon its own facts" (Petition, p. 19). The basic question in the Lower Court thus was whether the evidence and proofs introduced presented a case justifying relief for plaintiff, respondent herein. Based on the voluminous proofs in this case, specific and detailed findings of fact were made by the lower Court which constituted the basis for the relief granted (357-63). In seeking to review the decision herein, petitioner undertakes to review the facts of the instant case upon assertions that are contrary to the factual findings of the lower Court. We respectfully refer this Honorable Court to the comprehensive fact findings of the lower Court (357-63, 397-8), which, we submit, should be binding upon petitioner when it seeks to review this case upon a Petition for Certiorari.

Once the factual basis of the instant decision is accepted, the legal problem involved is neither a novel one nor does it involve any extraordinary principles of law. Inasmuch as the sole issue herein involved the business conduct of concerns located solely within the State of Michigan, it was conceded by petitioner, both in the District Court and the Circuit Court of Appeals, that this case must be governed by the law of Michigan. In making its decision, the lower Court specifically pointed to Michigan cases appli-

cable to the facts of the instant case, warranting the relief granted to respondent (364, 371-2).

We submit that there are no important problems of public interest involved in the instant case, warranting its review by Certiorari by this Honorable Court. At most there is presented herein a problem of purely local interest to two retail concerns doing business in Detroit, involving primarily a factual determination to which was applied well-established principles of the Michigan law of unfair competition, warranting the relief decreed by the lower Court.

II. COUNTER-STATEMENT OF CASE

Because of petitioner's utter failure to present the basic facts upon which the decision in this case was based, respondent feels it necessary to present herein a short counter-statement of facts, as supported by the fact findings of the trial court.

This suit was brought in equity by respondent to enjoin unfair competition in the use of a trade-name (3-11). Respondent and petitioner companies each have large downtown stores in the City of Detroit, in which they have for years carried on a city-wide retail business, with the respondent selling men's clothing and the petitioner selling furniture and home furnishings (396-7), each concern being generally known to the public as "Finsterwald's" (360, 89, 90, 95, 109, 175, 260-1, 284, 292-3, 330, 335, 337).

The respondent, Finsterwald Clothing Company, and its predecessors have been continuously engaged in the sale, at retail, of men's clothing in Detroit since 1898 under the *Finsterwald* name (357-8, 23). The business had been founded by Adolph Finsterwald, who, together with three

sons and a nephew of the same name, still continue to operate its business and own substantially all of its stock (23). Respondent's business has been highly successful through the years, and at present, it operates, in addition to its downtown store, three branch stores located in various sections of the City of Detroit (363, 25, 36).

Some ten years after Adolph Finsterwald founded the Finsterwald Clothing Company, his brother, Herman Finsterwald, commenced a retail furniture and home furnishings business under the name of "Finsterwald Furniture Company," the successor corporation of which is the petitioner in the instant case (15-16). Since 1933, however, no one by the name of "Finsterwald" has been connected with the petitioner corporation (45, 225).

Since 1910, the two concerns operated in the City of Detroit in their separate fields, at one time side by side, and at present, separated by only a few City blocks, the respondent selling men's and boys' clothing, and the petitioner selling furniture and home furnishings (28, 358). In recent years, the petitioner's business was unprofitable (363, 75, 256), and on three different occasions between 1935 and 1937, the petitioner sought from the respondent permission to engage in the clothing business under the *Finsterwald* name (30-32, 34-5, 167, 171). On each occasion, the respondent objected strenuously (32, 35, 167-70, 353-5), and petitioner desisted from entry into the clothing field, but in February, 1939, the petitioner undertook to enter into the clothing field, this time without asking for respondent's consent (169-171).

Respondent immediately brought this suit, praying for injunctive relief on the ground that if petitioner were permitted to enter into respondent's line of business, under the *Finsterwald* name, the Detroit public would be con-

fused and unable to adequately distinguish between the two concerns, with the necessary result that the petitioner would usurp for itself a substantial part of respondent's long-established good-will in the men's clothing business. A Special Master took the proofs and rendered an exhaustive Report, containing specific and comprehensive findings of fact and law, upholding the contentions of respondent and recommending the granting of injunctive relief to respondent (357-382). The Master's Report was adopted by the Honorable District Judge, who, himself, rendered a lengthy and careful opinion (394-405). From the decree of the District Court (391-3), an appeal was taken by petitioner to the Sixth Circuit Court of Appeals, which thereafter affirmed the decision of the lower Court (409).

The ultimate conclusion of fact arrived at by the Special Master and the District Court was that if petitioner were allowed to enter into the clothing business under the *Finsterwald* name, there would be a substantial confusion in the public mind as to the identity of the two *Finsterwald* concerns which would result in the usurpation by petitioner of respondent's long established good-will in the men's clothing business (363, 366, 397-8). This conclusion of fact was arrived at after full consideration of the voluminous testimony presented by each side during the trial of this case.

That testimony showed that despite the minor distinguishing words in the two names, namely "clothing" and "furniture," the master or dominant word in the name of both respondent and petitioner was the single word *"Finsterwald"* (360, 78, 187, 198, 291-2, 328-30). It was clearly established that it was the word *"Finsterwald"* in each of the two names that fixed the identity of the two concerns in the minds of the public, and the Special Master found that each of the concerns, as a matter of fact, was

widely known to the public only as *"Finsterwald's* (360, 89-90, 95, 109, 175, 260-61, 284, 292-3, 330, 335, 337). Throughout the years of their existence, both concerns generally identified themselves to the public as *"Finsterwald's,"* rather than by their full corporate names, both in their advertising, which was very extensive (357-60, 25-8, 172-80, 258-9, 351-352(26), 352 (41)-352 (65), and in the signs outside and inside their buildings (360, 352, 28-9, 32).

In substantiation of the fact that the two concerns were indistinguishable to a substantial portion of the public were the proofs showing that, even though the two concerns had theretofore been engaged in the widely separate retail fields of clothing and furniture, there was nevertheless a widespread impression among the public that the concerns were connected, many even believing that there was an identity of ownership and management (361, 30, 39, 45, 85-6, 89, 92-3, 96, 103, 105, 106, 109, 114, 116, 240). The proof further showed that great numbers of people entered the premises of the one concern believing that they were in the store of the other (360, 85, 88, 92, 95, 97, 99, 101, 107, 114-16, 117-18, 241). The public daily showed substantial confusion in dealing or contacting the wrong concern in the mailing or delivery of checks (360, 92, 99, 108), making of purchases (360, 39, 85, 88, 92, 95, 97, 99, 101, 107, 114-16, 117-18, 241), payments on charge accounts (92-3, 95, 97, 99, 101, 106), giving of credit references (85-6, 87-8, 98), delivery of merchandise (29, 99, 100, 102, 108), and making of telephone calls and delivery of mail (360, 29, 46-7, 104-5, 108-9). That this confusion would greatly increase if petitioner were allowed to enter, under the *Finsterwald* name, into the same line of business as respondent, namely, the men's clothing business, was the finding of the lower Court based on the testimony of many witnesses (366, 184-5, 196-8, 286, 329).

Based upon the proofs before them, the Special Master and the District Judge found as a fact that if petitioner were allowed to go into respondent's line of business under the *Finsterwald* name, much of the men's clothing business and good will of the respondent would go to the petitioner by reason of the confusion of the public (363, 366, 397-8, 404). From the facts before them, they found that a substantial portion of the public would not be able to distinguish between the two concerns, and the men's clothing business attached to the good will of the *Finsterwald* name which previously belonged solely to the respondent concern, would be now divided between the two Finsterwald concerns.

In the course of a carefully prepared Report, the Special Master held, in part:

> "Considering the advertising of the two companies as described above and the natural tendency of the mind to make short-cuts and remember only the most prominent word of long names, it is reasonable to conclude, and I find, that both stores are known among a large percentage of the buying public as "Finsterwald's," although the defendant's store is more generally known by the full company name than that of plaintiff.
>
> In the past there has been a considerable number of occurrences of confusion as to the identity of the two stores (360). * * * I am satisfied by the evidence, and I find, that there is a widespread impression among members of the buying public in Detroit that the stores of plaintiff and defendant are connected in business (361). * * *
>
> Insofar as the question is one of fact, I find that the sale of clothing by defendant under the name 'Finsterwald Furniture Company' is calculated to cause confusion with plaintiff and to induce a substantial percentage of purchasers to believe that they are buying clothes from the plaintiff or from one connected with it (363). * * *

> Upon consideration of all factors affecting the question, I reach the conclusion * * * that the entry of the Finsterwald Furniture Company into the clothing field under its present name involves the probability of a considerable amount of confusion which will result in the diversion of customers, actual and prospective, from plaintiff because of the similarity in names. The evidence shows that there has been considerable confusion in the past attributable solely to the common name, despite the lack of competition between the two concerns, and that there is a widespread public impression that the two stores are connected. If they are now to sell the same goods, it seems inescapable that this confusion will be greatly augmented (366)."

Likewise, the Honorable Arthur J. Tuttle, District Judge, in the course of his Opinion, held:

> "When the Finsterwald Furniture Company starts advertising and selling clothing, it is going to take away a large number of the customers and the good will of the Finsterwald Clothing Company, and bring it over into the doors and onto the books of the Finsterwald Furniture Company. It is just a necessary result. * * *
>
> There isn't any doubt in the world that, with forty years of advertising of the name Finsterwald in connection with the clothing business, when the Finsterwald Furniture Company, if it is permitted to do it, comes out in the paper and advertises clothing for sale, it is going to split up the good will of the Finsterwald Clothing Company and take some of that business away from the Clothing Company because of the confusion of the public and unjustly enrich itself as a result (398). * * *
>
> I have learned a lot of new law in recent years, but I certainly hope that the law hasn't been so changed that either by mixing up the goods sold so that the public cannot distinguish them or by mixing up the names of the concerns selling the goods in such a

> way that the public cannot tell the names apart, that one man can take advantage of that similarity of goods or similarity of names and steal the business away from his competitor to his own advantage. It seems plain to me that that is what would happen in this case, and that a court of equity ought not to permit it" (404).

Based on these facts, the lower court held that respondent was entitled, as a matter of law, to protective measures regulating petitioner's entry into the men's clothing business, so as not to unduly damage respondent. Petitioner was *not* enjoined from selling men's clothing or from competing with respondent, nor was respondent given a monopoly in the men's clothing business, as petitioner inferentially contends. Petitioner's sale of men's clothing was permitted by the decree of the lower court but restricted to sales methods that would not unreasonably deprive respondent of its established good will (391-3).

While petitioner was restrained from advertising the sale of men's clothing under the *Finsterwald* name, it was, nevertheless, permitted to exhibit and sell men's clothing within its own premises and to advise its customers that it was so doing (391-3). Petitioner was, moreover, permitted to advertise the sale of men's clothing provided that it did not feature the "Finsterwald" name, or provided it used some compound name in which the word "Finsterwald" appeared in second place, such as the name "Hadley-Finsterwald Co."

It is respectfully submitted that the decision in the instant case granting this measure of relief to respondent against petitioner's attempted usurpation of its established good-will is entirely warranted under the law of Michigan, which is in keeping with the law of unfair competition as recognized throughout this country.

III. ARGUMENT

A. THERE IS NO CONFLICT BETWEEN THE INSTANT DECISION OF THE SIXTH CIRCUIT COURT OF APPEALS AND THE LAW OF MICHIGAN.

In urging that the decision in this case is contrary to the law of Michigan, which petitioner concedes to be controlling, petitioner cites only the case of *Young & Chaffee Furniture Company v. Chaffee Bros. Furniture Company,* 204 Mich. 293, 170 N. W. 48.

The facts and circumstances of that case are in no way comparable to the instant case. In that case, the Supreme Court of Michigan held that under the particular facts of that case, and particularly, because the names of the two concerns were substantially different, the plaintiff's name being *Young and Chaffee Furniture Company,* and the defendant's name being *Chaffee Bros. Furniture Company,* that no substantial confusion would result and that, therefore, no injunctive relief should be granted. The principle of law thus applied in that case was no different than the principle applied in the instant case. The controlling distinction is that the finding of fact in that case that no substantial confusion would result from the competition of the two concerns, was the exact opposite of the factual finding in the instant case.

Furthermore, under the decree in the instant case, the lower Court actually permitted petitioner to enter into the men's clothing business under the very same conditions as were approved in the *Chaffee* case. The decree in the instant case specifically provides that the petitioner may engage in the sale of men's clothing under a compound name which may include the name "Finsterwald" as the second word, such as the name "Hadley-Finsterwald Furniture Company" (391-2). Certainly petitioner cannot

claim that the decision in the instant case is contrary to the *Chaffee* case, when the decree of the trial Court permitted the petitioner to engage in its proposed competitive business by distinguishing its name from that of respondent in the same manner as was approved in the *Chaffee* case.

Actually, the decision of the lower Court in the instant case was grounded primarily on the law of Michigan as evidenced by two of its most recent decisions (371-2), namely: *Schwanneke v. Genesee Coal & Ice Company,* 262 Mich. 624, 247 N. W. 761 (1933); and *Bell v. Service Coal Company,* 280 Mich. 172, 273 N. W. 435 (1937). In these two cases, the Michigan Supreme Court clearly adjudged the right to injunctive relief under facts comparable to the instant case. In each of those cases the plaintiff and defendant, having substantially similar names, had been engaged in the same business for many years in nearby communities, but not in direct competition with each other. In each case it was held that when the defendant, under its own name, sought to enter plaintiff's community in direct competition with the plaintiff, having a similar name, permanent injunctive relief should be granted.

In these two cases, the Michigan Supreme Court clearly held that even though the defendant, having a name substantially similar to that of plaintiff, had a right to the use of its name in its own separate field, yet when it sought to enter into the plaintiff's field of business under that same name, and it appeared that substantial confusion would result, permanent injunctive relief should be granted. This rule adopted by the Michigan Supreme Court is neither novel nor radical, but is in accord with earlier decisions of that Court as well as the decisions of other Courts throughout this country.

Peoples Outfitting Co. v. Peoples Outlet Co., 170 Mich. 398, 136 N. W. 599 (1912);

Lamb Knit Goods v. Lamb Glove & Mitten Co., 120 Mich. 159, 78 N. W. 1072 (1899);

Dayton v. Imperial Sales, etc. Co., 195 Mich. 397, 161 N. W. 958 (1917);

Esso Inc. v. Standard Oil Co. (C. C. A. 8, 1938) 98 F. (2) 1;

Western Auto Supply Co. v. Knox (C. C. A. 10, 1937) 93 F. (2) 850;

Treager v. Gordon-Allen Ltd. (C. C. A. 9, 1934) 71 F. (2) 766;

Hanover Star Milling Co. v. Metcalf, 240 U. S. 403, 60 L. Ed. 713 (1916);

United Drug Co. v. Theodore Rectanus Co., 248 U. S. 90, 63 L. Ed. 141 (1918);

Nolan Bros. Shoe Co. v. Nolan, 131 Cal. 271, 63 P. 480 (1900);

Pease v. Scott County Milling Co. (D. C. Mo. 1925) 5 F. (2) 524;

Regent Shoe Mfg. Co. v. Haaker, 75 Neb. 426, 106 N. W. 595 (1906);

Foster Canning Co. v. Lardan Packing Co. Inc., 17 N. Y. Supp. (2) 583 (1939);

Eastern Outfitting Co. v. Manheim, 59 Wash. 428, 110 P. 23 (1910);

Queen Anne Candy Co. v. F. W. Woolworth Co., 165 Wash. 143, 4 P. (2) 844 (1931).

It is submitted that petitioner's contention that the decision in the instant case is in conflict with the Michigan law is clearly refuted by the Michigan decisions themselves, which, in turn, are in accord with the weight of authority throughout this country.

B. THERE IS NO CONFLICT BETWEEN THE INSTANT DECISION OF THE SIXTH CIRCUIT COURT OF APPEALS AND THE DECISIONS OF OTHER CIRCUIT COURTS OF APPEAL.

Petitioner conceded in the lower Court and in the Circuit Court of Appeals, that the law of Michigan was controlling in the decision of the instant case (364). Despite that concession, petitioner, in an effort to establish jurisdictional grounds where none in fact exist, contends in its petition that the decision in the instant case should be governed by the holdings of other Circuit Courts of Appeal, which are claimed to be in conflict with the instant decision. While we deem that to be no proper subject of inquiry in the instant case, we shall nevertheless meet that contention.

Petitioner cites in its reasons for granting Certiorari three cases from other Circuits, which petitioner claims are contrary to the instant decision (Petition, p. 9), namely:

John B. Stetson Co. v. Stephen L. Stetson Co. (C. C. A. 2, 1936) 85 Fed. (2) 586;
Gleaves v. B. W. Fishburn Co. (C. C. A. 5, 1936) 82 F. (2) 627;
Horlicks Malted Milk Corp. v. Horluck's Inc. (C. C. A. 9, 1933) 59 F. (2) 13.

We desire to point out that in every one of those cases, as in the instant case, relief was granted to the plaintiff. In the *Stetson* case the defendant was enjoined from using the name "Stetson" as a trade-name on any of its products, but was allowed to use the name "Stetson" as its corporate name, only on certain terms and conditions. The *Stetson* case is not in conflict with the instant case, where defendant likewise is allowed to sell men's clothing

subject to terms and conditions which will reasonably protect plaintiff's established good-will.

Likewise, in the other cases thus cited by petitioner, the defendant was permitted to continue its business operations, but was subjected to certain restrictions in the manner in which its name or trade-mark should be used, so that the defendant would not get the benefit of plaintiff's established good-will. A study of these cases, as well as the entire field of the law of unfair competition discloses that depending on the particular facts of the case, including the type of goods involved, the type of trade or customers, the locality of the business, the degree of similarity of the names of the concerns, the extent of past confusion, as well as many other factual elements, depends the type of relief that is granted to the plaintiff in each case.

The aforementioned cases from the Second, Fifth and Ninth Circuits cited by petitioner merely affirm the rule that depending on the facts of the particular situation, will depend the type or degree of protection accorded by the courts. There is nothing in the instant decision or in the other decisions of the Sixth Circuit Court of Appeals indicating a different rule of law. The Sixth Circuit Court of Appeals, in cases where it did not appear that substantial confusion would result, or where the need for relief was not as urgent as in the instant case, has allowed no relief or relief to a lesser degree than approved in the instant case.

Fidelity Bond & Mortgage Co. v. Fidelity Mtg. Co. (C. C. A. 6, 1926) 12 F. (2) 582;

American Washboard Co. v. Saginaw Mfg. Co. (C. C. A. 6, 1900) 103 F. 281;

G. & C. Merriam Co. v. Saalfield (C. C. A. 6, 1912) 198 F. 369;

Upjohn Co. v. Wm. S. Merrell Chem. Co. (C. C. A. 6, 1920) 269 F. 209;

The Second, Fifth and Ninth Circuits, on the other hand, have in cases more comparable to the instant case, decreed the same or even a greater degree of relief than was accorded respondent in the instant case. See:

Phillips v. Governor & Co. (C. C. A. 9, 1935) 79 F. (2) 971;
Tillman & Bendel Inc. v. Calif. Pack. Corp. (C. C. A. 9, 1933) 63 F. (2) 498 (Cert. Den. 290 U. S. 638);
Treager v. Gordon-Allen, Ltd. (C. C. A. 9, 1934) 71 F. (2) 766;
Traffey v. McIlheny Co. (C. C. A. 5, 1922) 281 F. 23;
France Milling Co. v. Washburn Crosby Co. (C. C. A. 2, 1925) 7 F. (2) 304;
Annheuser Busch, Inc. v. Budweiser Malt Prod. Co. (C. C. A. 2, 1923) 295 F. 306.

Basically, the issue raised by petitioner herein, is not whether the lower Court was justified in granting any relief to respondent, but whether the kind and extent of relief granted was justifiable under the facts of the instant case. Petitioner effectively admits that to be the basic issue, when it cites these three cases involving, not the denial of any relief against unfair competition, but the granting of lesser relief than was granted in the instant case. Furthermore, when petitioner offered in the lower Court to condition its entry into the men's clothing business upon its adoption of certain distinguishing and protective safeguards different than that directed by the Court, it likewise resolved the issue in this case into a factual question as to what safeguards were reasonably

required to protect respondent's established good-will from unfair competition by petitioner.

It is submitted that such an issue involves no conflict of decisions between the Circuit Courts of Appeal, but involves primarily a factual determination from which there is no warrant to seek review by Certiorari. It is further submitted that the relief granted respondent under the facts of the instant case is fully in accord with the well-established principles of the law of unfair competition, not only of the State of Michigan, but of the Federal Courts as well.

IV. CONCLUSION

It is submitted that the instant case involves primarily questions of fact in a purely local and private controversy, devoid of any problems of great public interest. It is further respectfully submitted that the decision was fully in accord with the law of Michigan which petitioner has conceded to be controlling in the instant case. Moreover, as we have shown, the instant decision is not in conflict with the decisions of other Circuit Courts of Appeal, but rather it is fully in accord with the prevailing authority of long established principles in the law of unfair competition.

It is respectfully submitted that the instant Petition for Certiorari does not meet the essential requirements set forth in the Rules and applicable decisions of this Honorable Court, and should, therefore, be denied.

Respectfully submitted,

JASON L. HONIGMAN,
Attorney for Finsterwald Clothing Company, Respondent.

MILTON J. MILLER,
Of Counsel.